

United States Senate
WASHINGTON, DC 20510

March 6, 2008

The Honorable Tom Harkin
Chairman
Committee on Agriculture, Nutrition
and Forestry
United States Senate
Washington, D.C. 20510

The Honorable Saxby Chambliss
Ranking Member
Committee on Agriculture, Nutrition
and Forestry
United States Senate
Washington, D.C. 20510

Dear Chairman Harkin and Ranking Member Chambliss:

As you prepare for conference negotiations on legislation to reauthorize the Farm bill, we strongly urge you to retain the Senate provision regarding the Milk Income Loss Contract program (MILC) in the final Farm Bill Conference Report.

The Senate version of MILC restores the payment rate of 45% and expands the quantity of milk that is eligible to receive payments under the program to 4.15 million pounds. These changes will assist producers of all sizes in every state and will simultaneously protect small farms from future slumps in milk prices.

Since its inception in 2002, the MILC program has proved to be one of the most effective counter-cyclical payment programs available to our nation's dairy producers. As you know, many small and medium sized dairy farmers depend on MILC payments to remain in business when milk prices are low. And, when milk prices are high, such as they are now, no MILC payments are made. This approach minimizes the cost to taxpayers by targeting benefits to those dairy farmers who are most in need when prices are low.

In the past few years the dramatic increase in feed and energy prices has significantly increased the cost of production. This has placed a significant strain on many producers. At the same time, wide fluctuations in milk prices have caused severe financial hardship to many dairy producers throughout the country. The Senate version of the MILC program will help ease these higher production costs and stabilize swings in milk prices.

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As you know, the MILC program is a top priority for the dairy farmers we represent. The Senate version restores and updates the MILC program to reflect real world changes in the dairy industry. We strongly encourage inclusion of these provisions in the final conference report.

With warm regards,

Amy Klobuchar

Herb Kohl

Murphy Brown

Patrick Leahy

Hillary Rodham Clinton

Barack Obama

Jon Kyl

John F. Kerry

Joe Biden

Al Franken

Jack Reed

Chuck Grassley

Dan Vitter

Chuck Schumer

Ed Johnson

Barack

Arlen M. Collins

Chris Dodd

Bob Casey, Jr.

Edward M. Kennedy

Mary Landrine